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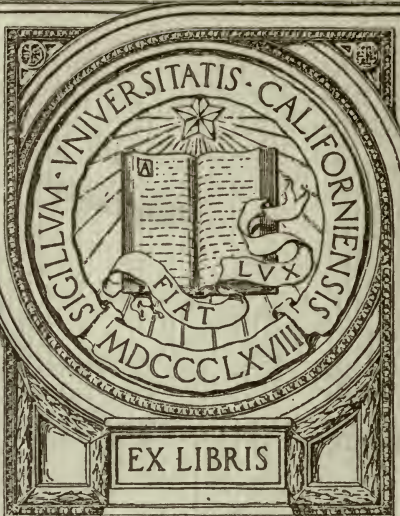
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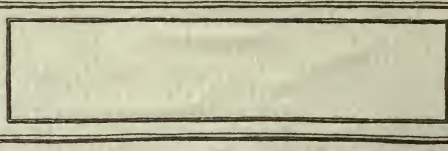


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PUBLIC OWNERSHIP AND OPERATION
of
WATER AND RAIL TERMINAL FACILITIES
PRODUCE THE GREATEST DISPATCH
AND ECONOMY

By ROBERT BRIDGES,
President Seattle Port Commission.

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PUBLIC OWNERSHIP AND OPERATION OF WATER AND RAIL TERMINAL FACILITIES PRODUCE THE GREATEST DISPATCH AND ECONOMY.

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Waterfront a Priceless Possession.

The waterfront of a great seaport is a priceless possession in the hands of those who control it. Such possession enables its proprietors to levy tribute upon every pound and item of outgoing and incoming commerce moving to and from every corner of the world. Hence, the aggressive and over insistent effort on the part of transportation companies and other profit-seeking corporations and interests to secure control of this valuable property. The history of all American ports—save San Francisco and New Orleans—has been in this regard practically the same. Private corporations, and particularly transportation corporations, have acquired practically all the available commercial waterfront of America. The railroad is the great agent of modern development. A waterfront is merely a more or less ornamental property unless it is connected with the inland territory by the steel highway. In the early stages of a port's development the paramount consideration is to induce railroads to locate their termini at such port. It is therefore, obvious that the railroad company proposing to so locate would be in a position to dictate the terms upon which it would enter, and it is also a foregone conclusion that these terms would inevitably include the surrender of a generous slice of the waterfront to the exclusive ownership and control of such railroad. These original grants were not immediately injurious. On the contrary, the entrance of the railroad was a condition precedent to business development. But our transportation corporations are not timid in their demands, nor is their hunger for privileges easily appeased. No great length of time was required, therefore, for the powerful railroad systems or combinations of individual companies to acquire control of all the available waterfront of all the important seaports, with the exceptions noted. Then the yoke which they had placed upon their necks began to gall the donors of these privileges. The railroad systems or combinations having a strangle hold upon the very arteries of commerce could suck the life blood of local industry, and having a monopoly of the port facilities could effectually bar out competing lines, or else admit the late coming railroads upon such terms as would nullify ~~the~~ competition.

Injurious Results of Private Ownership.

A port, therefore, whose waterfront is preempted by private railroad terminals is necessarily restricted to the service of the railroads owning the same. All other railroads in the future, no matter how anxious they

may be to enter such port and no matter how advantageous the entrance of such railroads might be to the community, are denied the necessary facilities. Furthermore, such port under such conditions is destined inevitably to become a mere convenience to such franchise owners, to be used by them as a transshipping point merely, without regard to the interests of the donors of the franchises, but with regard only to the profit of the corporations owning the same. This is the condition which is pressing with more or less severity upon all the port cities from Boston to Seattle—with the exceptions noted—and the problem of how these bonds may be broken has become the vital subject of consideration and effort on the part of all the cities affected. And in this connection it should be a source of pride to the people of San Francisco and New Orleans that these are being pointed out and designated as an illustration of how the problem may be and has been solved, and their policy and methods in this regard are being investigated and studied by such great and prosperous municipalities as New York, Boston, Baltimore, Detroit, Seattle, and other cities.

Essential Benefits of Public Administration.

I have said that the waterfront of a great seaport is a priceless possession in the hands of its proprietors. There are two distinct kinds of ownership and utilization to which this possession is subject. The port facilities may be owned and operated by private corporations as heretofore detailed; or the ownership and operation of the same may rest in the hands of the municipality or the people. If private interests are the proprietors, then such facilities are exceedingly valuable assets for the production of revenues and the generation of power for such private interests. If these facilities are owned by the people and operated in their behalf, then the resultant benefits flow toward the municipality as a whole and toward the individual citizens who constitute the same.

From what has been said before, it is obvious that the fundamental benefit of public ownership, control and operation of port facilities is that thereby the port is kept open—that is, no special interest or combination of interests is permitted to monopolize for selfish profit the tollgate that opens out upon the limitless commerce of the seas, on the one hand, and upon the great highways of inland trade on the other. The secondary or sequent benefits that follow this fundamental fact are that all transportation agencies, not only in present but in prospective operation, are invited to conduct their business through such open port upon the basis of equal facilities, minimum charges and equitable terms; that such invitation and treatment will not only increase the volume of traffic through such ports, but will place such transportation agencies in the relation of active competition with each other. This real competitive relation will in turn reduce the transportation rates and will in consequence not only increase the desirability of such port as transshipping point, from the shipper's point of view, but will render it, to the extent of its advantage in this regard the most favorable location for originating traffic for both the export and inland trade and thus develop local industries and advance individual and municipal prosperity.

It is a fact that trade follows the line of least resistance, or in other words, will gravitate towards that environment which is most favorable to expeditious and inexpensive movement. I have heretofore pointed out that an open port, or a port at which there is active competition between transportation companies, is a consideration of primary importance in this regard, and I have shown how private ownership of terminal facilities will close the port and strangle competition, and how public, or neutral, ownership will produce the directly contrary result. But there are other considerations than transportation rates and competition in the development of a transshipping point as well as a port market. Assembling cargoes for shipment, warehousing the same when necessary, docking the ships, transferring goods from railroad to railroad, from railroads to ships, from ships to railroads and from industry or factory to trunk lines and wharves, are all units of movement which entail expense. The more efficiently and economically these units are co-ordinated the less will be the charges and the more satisfactory the service per unit or per combination of units. It should, therefore, be the aim of those interested in the development of the port to address themselves earnestly to these considerations.

Principle of Public Ownership Paramount.

I have specified some of the items of development and some of the details of the result of public ownership, control and operation of the docks, switching facilities and the proposed warehouse system such as prevail in the ports of New Orleans and San Francisco, not so much for the purpose of benefits that flow from the public administration of these facilities, as to emphasize the importance of the principle involved.

New Orleans and San Francisco possess their waterfront.

By unusual good fortune this possession has not been alienated, but is held by the people to whom it of right belongs and for whose benefit it should of right be administered; and through the farsighted and patriotic vision of some of their citizens in the years gone by, this policy of administration has been reduced to a concrete and effective system. In point of fundamental preparation for the great era of trade expansion which is sure to come within the next few years, New Orleans and San Francisco are distinctly ahead of all their rivals. This advantage lies not so much in the extent of the facilities for commerce and trade actually in complete operation, as in the fact that their system is based upon a principle which renders it susceptible to unlimited automatic extension and improvement, whereas the other ports have by private grants throttled development on comprehensive lines and constructive growth within the limits set by the will or interest of those who hold control.

Thus those cities which are not so fortunate as New Orleans and San Francisco in this respect have a double task to perform. First, they must dislodge these private grantees either by purchase involving the expenditure of enormous sums of money, or by some other means; and then they must undertake the actual work of reconstruction and develop-

ment, whereas, all that New Orleans and San Francisco have to do is to build upon the broad, deep, lasting and unimpeachably correct foundations already laid. The day is passing and indeed has already passed when the great prolific privileges which minister to the needs and make for the prosperity of all the people can be summarily grabbed by the private few and monopolized by these for their own private profit and for the oppression of the rightful but unwatchful owners thereof. The waterfront facilities of a port constitute such a prolific privilege.

If the franchise to control and operate these facilities is held by private interests, then the great potential rights of the people are coined into dollars which fall into the pockets of such private interests; but if these essential public utilities are held by the people and operated for the general advancement of trade and the general good of all the owners thereof, then the entire community reaps the resultant benefits, and the governmental function is, in such administration, properly discharged.

Rail and Water Terminal Locations Are Essentially Different From all the Other Classes of Lands.

This has been recognized since the beginning of organized government. The Federal Government has control over the disposition and sale of lands up to and including the line of ordinary high tide. It holds in trust all of the tidelands, beds of the ocean, and the beds of the navigable lakes and rivers intact for the future States when admitted into the Union. These become the property of the states through their sovereignty upon admission and are a continuing trust reposed in them for the uses of the people of said state as aids to commerce, navigation, and fisheries. As distinguished from all other classes of land no grant or parchment passes between the Federal Government and the States and there are no lines run for the purpose of computing areas beyond the line of ordinary high water. All of the lands known as tidelands where the tide ebbs and flows out to the line of navigability is recognized as the essential terminal location connecting the great highways of land and of water and making possible public ingress and egress from and to the high seas. Such location is necessarily a single unit and if monopolized by private concerns to the exclusion of the public generally acts as a blockade against the development of such location. Not so with other classes of property, if in a city one street is insufficient to meet the requirements of transportation and it is held under a franchise by some private corporation a remedy may be applied by opening up and developing additional streets to meet the requirements in maintaining the avenues of trade open. No complete monopoly could exist on the thoroughfares of a city or on the avenues leading to and from the city because of the numerous opportunities to develop in different directions except in cities where trunk lines have been monopolized through the granting of franchises. This is not so in regard to the location on the tidelands where rail and water meet, the same being a single strip or connecting link between land and the high seas. It is easy to be monopolized by private ownership and to be held out of use to the detriment of the development of commerce, navigation,

and fisheries. If the private owners be merely speculators and gamblers in futures, or if they be quasi-public corporations such as railway companies, they may, if they desire monopolize a terminal location to the exclusion of any and all other railroad or shipping concerns that do not conform to their requirements.

Franchises and Discriminations.

Added to this power in the hands of a railway concern is the indiscriminate granting of franchises on the avenues paralleling or adjacent to the harbor shipping facilities. This control breeds favoritism especially on behalf of the larger shipping concerns by means of greater dispatch for their business, absorption of rail switching, wharfage and other forms of waterfront charges. On the other hand, where the business of the concern is not of such quantity as the official of the railroad may dictate, then their business is hampered by delays, duplication of switching charges, and their markets thus practically limited to the line of railroad in control of the monopoly of the situation at their location. As fast as one set of abuses made possible by such monopoly is exposed and corrected a new set of abuses are put into application. For instance: Rebating to large concerns was openly and notoriously conducted by railway companies. Now, thanks to education of the American public on that point, a more subtle method is employed and one that will be harder to fathom than the old method of openly rebating. Large shipping concerns may with-hold payment on freight, alleging goods damaged in transit, losses sustained by delays in deliveries, all of which may be referred to the claim department of said railroads and there remain for such period of time as the auditing department of the railroads and the concern interested may have opportunity to determine what percentage of the freight due as tied up in such claims, may be overlooked. In this manner a balance is arrived at and adjusted satisfactorily to the railroad and shipping concern whose business is of such magnitude as to ~~be worth while to pursuing~~ ^{warrant} this method of manipulation. Another method is the application of obscure foot-note rules in published tariffs to give advantages to big business in rates or classification, while little business is charged according to the schedule in bold type. Another method that carriers openly practice, is to absorb charges from competitive points while all charges are made against shippers from non-competitive points. An enlightened American sentiment is justly rebelling against all these devious ways of craft and graft and favoritism, much of which outcrops in the system of private terminals.

In the field of production of grain, fruit, and other products the individual producer if he decides to ship independently of any brokerage or other concern must pay all of the charges as set forth by the railroad tariff sheets and await the pleasure of the railroad company in receiving cars for the shipment of his product, while the brokers or warehousemen who accumulate large tonnage from numerous producers are favored by receiving prompt dispatch in the receipt of cars for such shipments, and

the benefits of whatever absorption practiced may be in vogue by the railroads at the time. Numerous instances have been reported where railroads have failed to furnish cars to individual shippers,—such dilatory tactics and delays are incident to private understandings between the big brokers and warehousemen and the public carrier.

The individual shippers then naturally become disappointed and discouraged at being thus compelled to accept the prices offered to them by brokers for their product in order to save themselves against serious loss. Similar delays in the spotting of cars from the individual producer is practiced at the waterfront terminals, while dispatch in the switching of shipments is obtained by warehousemen and brokers.

Of course, if deliveries of goods may be had promptly when a buyer purchases from commission brokers, that inures largely to the brokers' benefit. Thus the producer as an occasional shipper is not only disappointed himself, but finds that the parties to whom the product was consigned ~~is~~ is seriously disappointed in the delays incident to receiving the goods under the practices mentioned. The system of public warehouses and particularly a disinterested publicly owned and administered belt line railroad at seaport closes the gate to much discrimination of this kind.

Warehousing and Distribution.

As a result of the losses sustained by manipulations, producers are studying the problem of transportation and marketing of their product in all of its phases to a greater extent today than ever before in the history of this country. They are also studying and putting into practice to a considerable extent the question of the proper warehousing of their product so as to extend the season of shipment from the field of production to the great centers and markets of consumption. This is the natural and logical remedy for the evils that have beset the producers.

The retention of the ownership of tidelands by the State, as in California and Louisiana, makes the development of rail and water terminal locations possible to the highest degree. It enables those in charge to lay out and properly construct on modern lines utilities that are necessary for the dispatch and economy in the handling of vast tonnage from rail to water and water to rail. It thus enables the segregation of shipments into natural component parts. Through shipments of bulk commodities carried in over-sea ships of large capacity, require units of construction specially adapted to their needs, ~~which~~ ^{to these} include large berthing space, transit sheds of sufficient capacity to enable the ships to work continuously from their numerous hatches, and in addition to the transit sheds extensive fireproof warehouses to retain products and preserve them from the elements in sufficient quantities to constitute cargoes of immense tonnage. In addition ~~to these~~, heavy trans-shipment business requires extensive areas adjacent to such wharves and transit sheds for the proper tracks to ~~allow of freedom in~~ ^{provide} switching ~~cars to~~ ^{of} and from said transit sheds and warehouses. Also cold storage facilities are needed to meet the requirements of our ever increasing production and conservation

of perishable commodities. Then as a specialized structure, grain elevators are absolutely essential for the storing, cleaning, receiving and discharging of grain with the utmost dispatch and economy in the handling of this most important product which is peculiarly essential to the life of the nations. Special mechanical devices suited to handling with dispatch all specialized products is the aim and tendency of modern ports. Such appliances as are used in modern ports today under public ownership and operation are so productive in dispatch and economy as to incite favorable comment from all students and investigators of these new means of handling commodities. The modern grain elevator is typical of the advancement made in this direction.

Lumber.

Lumber, which is one of the principal articles of export of the four northwestern states and the largest in point of tonnage, requires more extensive areas of space at the docks than any other class of commodities shipped from this territory. While a lumber dock may be constructed in such a manner as to also be capable of handling general commodities, it requires a special consideration in the layout and method of construction. It calls for large areas for the storing and handling from rail to ship with ample shipside tracks and crossovers. It should be especially equipped with fire apparatus for the protection of this commodity and in addition thereto locomotive cranes, gantry cranes, extensive depressed tracks with proper crossovers in order to facilitate with dispatch the handling of trains loaded with lumber from interior mills. In addition there should be extensive covered space for planed and sized lumber of various dimensions to meet the requirements of trade. Shear-leg derricks are another essential feature at large overseas docks, with capacity according to the requirements of commercial shipping, capable of handling locomotives, heavy machinery, etc., at least up to one hundred tons. Dock property fully equipped for this class of trade requires numerous features that are not essentially necessary at docks especially constructed for other lines of trade. For example: at a rapid transit dock there should be equipment of commodious comfortable waiting rooms, ticket offices, and separate compartments for the safe keeping of small express packages enroute, with passenger gangways necessary for large numbers of passengers to move rapidly to and from dock to ship or ship to dock. Such equipment would of course be entirely out of place, as a necessary function of a lumber dock or an oversea shipping terminal situation. Special equipment, highly desirable at terminals to promote the general welfare, will only be provided by private ownership when immediate visible profit is seen. Public terminal ownership considers the need of the community rather than Eastern stockholders or hidebound notions of Wall Street voting boards.

Private Owners Driven, Not Leading.

One of the faults of private ownership of the terminal location is non-improvement or inadequate improvement of the waterfront. For

instance in Seattle extensive areas are held unimproved by owners of the tidelands who possess ~~no~~ capabilities financially or otherwise to improve the property, nor any desire so to do. They simply hold it as speculators on futures and gamblers upon the commercial needs and development of the community. Then we have the private docks whose extent and capacity ^{are} limited to the needs of the private concern, in their own field of exploitation. Again we have the railroad-owned locations improved only to such an extent as will meet the requirements of the business originating on their line of haul and mostly occupied by lessees operating in some special line of business. The major portion of the holdings of the railroad concerns are unoccupied, with no improvements of any kind in aid of commerce and navigation. Furthermore no adequate provision is privately made for the tramp or irregular steamer to discharge or receive freight at our terminal locations, when it is well known that the tramp makes the ocean freight rate. As pointed out by James J. Hill, who is certainly an authority upon the subject of transportation and transportation rates, "No regular line of steamers determines or fixes the rates for water carriers. The tramp or occasional steamer determines the rate and the established lines are required to conform to the rates so determined." He further said at a conference held with the Port Commission of the Port of Seattle at their office that "Commerce was conducted on such a close margin that it was necessary to sharpen one's pencil very fine and to figure very closely, even to a fraction of a cent per ton in obtaining business today," and that business was routed to or from a given place on very close margins. He repeatedly warned the Commission in determining the cost relative to these matters, to be sure and keep their pencils sharp and to figure in fractions if Seattle was to secure and maintain its supremacy as a port.

When the direct question was asked of Mr. Hill by the Commission if he, speaking for his company, had any objection to publicly owned and operated docks in the City of Seattle his answer was, "Why, no, if the dock we are now operating at Smith's Cove would be of any benefit to you I would gladly consider the proposition of turning it over to the Commission, if it would be a factor in encouraging public ownership and operation of your shipping facilities at the Port of Seattle." But he reminded the Commission that in order to be successful you must have locations suited to the needs of oversea shipping, lumber shipping, general cargoes and rapid transit. Then questions were asked of Mr. Hill to elicit his views on Harbor Island, the artificial island to the south end of Elliott Bay, as a location. His answer was that twenty-five years from now will be sufficient time to consider such a location, at which time, if this port is successful to the degree it deserves to be, it may be necessary to enlarge your units so as to embrace and include therein the location of Harbor Island.

Yet the advocates of private waterfront control in Seattle proposed the expenditure of \$5,000,000 of public funds on that desert island! And, if you please, would have accomplished it and peddled watered stock in the scheme throughout this country, but for the fact that the Port Commission opposed it.

Public Ownership Illustrated at New Orleans.

At the Fourth Annual Convention of the American Association of Port Authorities at Los Angeles, California, Sept. 13, 14, 15, 1915, John Miags, Director of Wharves, Docks and Ferries, of Philadelphia, ~~said~~ *spoke* as follows:

"Probably the most admirable layout among American ports of a belt-line railroad serving a waterfront is that at New Orleans. The River frontage of the city is located on a long, symmetrical, unbroken crescent curve, along which the wharves are constructed in front of the levee which protects the low area of the city near the river from inundation by its floods. These wharves are of the quay type, as distinguished from the projecting-pier system in general use in other American ports, the outer or water edge of them being parallel with the levee. The sheds upon them are provided with spur tracks and sidings from the belt-line railroad, which extends parallel to the sheds on the landward side of them for the entire length of the improved waterfront of nearly five miles.

"The port organization at New Orleans is in some respects ideal, the entire waterfront being not only under the control, but in the actual ownership, of the State of Louisiana, acting through the Board of Commissioners of the Port, an appointed State body with very large powers. The belt-line railroad is municipally owned and operated, handling cars directly, with its own locomotives, to and from the wharves, from or to the railroads, an arrangement giving excellent results as far as the expedition of movement of cars and the general satisfaction of shippers is concerned. The practical operation of the port is believed to be economical and efficient in most particulars, as in fact it should be, under such exceptionally favorable conditions as are here existent.

* * *

"Compared with the administrative situation in which are most other American ports, with the local authorities in extremely limited control, the New Orleans system is efficiency itself."

Public Belt Railroad Service.

The Public Belt Railroad in operation in the City of New Orleans produces a condition in connection with their public wharves, sheds, and warehouses in course of construction, that is simply ideal, and is well stated in the language of George H. Davis, Civil Engineer, who in a reply to inquiries made by the officials at the Mississippi River Terminal Conference of Governors and Delegates furnished the following information in relation to the public belt railroad in the City of New Orleans:

"The Public Belt Railroad consists of about fifty miles of track, including the two main lines along the commercial front and a number of wharf tracks, switch tracks, industrial tracks and public tracks. The system extends along the river front from the upper to the lower limits of the city in the rear of all public wharves and serves them exclusively. Eventually the Belt Railroad will encircle the city. The interchange between the Belt Railroad and the other railroads entering the city is done by means of interchange tracks located at advantageous points in the city. Extensions of Belt trackage are constantly being made both in lines and terminal yards. The Belt Railroad handled for the year ending December, 1913, in excess of 170,000 loaded and empty cars. The revenue from operation of the Belt Railroad has exceeded expenses

of operation, maintenance and depreciation of locomotives (the Commission owns no other rolling stock), and the surplus has been expended in extensions and betterments of the property. Formerly, the switching of cars was very unsatisfactory in that the shipper was subject to considerable delays and in addition charges were excessive. For instance, if a car reached the city on a railroad entering the upper limits of the city and had to be transferred to a railroad in the lower limits of the city, the charge for switching would be from \$13.00 to \$15.00 and a delay of several days would occur in delivering the car. This service is now performed by the Public Belt Railroad at the flat rate of \$2.00 per car, which covers the movement of the loaded car and the return movement of the empty car, and vice-versa. Previously every pound of freight was hauled by drays and floats, while now the incoming freight to any industry along the line to the Public Belt Railroad is switched to such industries for \$2.00 per car, and all outgoing cars from such industries are delivered to their proper destinations. It is the plan of the Public Belt Railroad Commission to extend in the near future the system to reach the outlying section of the city to stimulate the construction of factories; located as they will be on the line of the Belt Railroad they will have direct connection with every avenue of transportation within port limits."

Great Public Port of Montreal.

At the Fourth Annual Convention of the American Association of Port Authorities held at Los Angeles, 1915, it was stated that the Harbor Limits of Montreal comprise sixteen miles of water frontage on each shore of the River St. Lawrence, every foot of which is owned by the public and is administered by a Harbor Commission, appointed by the Governor-in-Council of the Dominion of Canada.

"Montreal is the converging point of the three Canadian Transcontinental Railway Systems, which connect with the Harbor Terminal Railroad, forty miles in length, owned and operated by the Harbor Commission and affording access to the harbor and to every railroad upon equal terms. Every shed and berth in the harbor, as well as every industry adjacent thereto, is served by this railway. This Terminal Railroad handled in 1907, in which year it was established, 70,000 cars, and in 1914, 114,449 cars, an increase of over sixty per cent."

Montreal's switching rate is \$2.50 per car which includes the return of the empties.

New Orleans Outgrows Private Waterfront Control.

Judge L. D. Moore, City Attorney, furnished the following information to the City Plan Commission of St. Louis regarding New Orleans terminals:

"Formerly the wharves and docks of New Orleans were operated under lease by private individuals and corporations. The results of this system of administration were insufficient and expensive facilities, the deterioration and decay both in the condition of the property and in the shipping business served thereby. Some seventeen years ago our people, realizing the serious consequences of this unsound policy of administration, and, foreseeing the vast advantage to be derived from the operation of an essentially common property for an essential public good, took over the old wharves and landings, and after overcoming many difficulties, inaugurated, about thirteen years ago, the system of public administration,

which system our present splendid equipment, capable of caring for the second largest export and import business in the United States, is the fruition. In the place of a limited area of primitive wooden wharves, open and wholly unprotected from the elements, we have now some five miles of commodious docks of the most substantial construction and protected, for the greater part, by steel sheds of the best approved fabrication and design; and instead of excessive charges for meager and inadequate service, there is now levied not one cent against the freight handled over these commodious wharves, and only a minimum charge assessed against the ships, which occupy the same.

"Under the former regime the important detail of terminal switching was operated by the several private railroad lines which had secured track privileges on the river front. The several railroads operating on their own particular switch track units were not interested in freight originating on or destined to any other line than their own, and each of said railroads levied its separate switching charge on all cars of other lines switched upon its tracks. The results of such conditions were inevitably that excessive burdens, both in the matter of delay and cost, were put upon the movement of the general freight traffic of the port, and shippers were in consequence to a great extent forced into the wholly uneconomic alternative of draying. Some fifteen years ago the people of New Orleans began a campaign which had for its object the operation of a terminal switching system by the municipality. About six years ago this movement acquired concrete reality by the inauguration of such a system by the city to be administered through the instrumentality of a board called the Public Belt Railroad Commission of the City of New Orleans. In place of an unsatisfactory, unorganized and discriminatory switching service the business of the port now enjoys the use of a comprehensive public utility operated in direct connection with all avenues of transportation and administered, not in the interest of any particular transportation line or lines, but in the interest of business facility and for the common commercial good; and instead of excessive and often prohibitive charges for bad service, the public administration system provides expeditious movement and good service at a cost abnormally low.

State-Owned Wharves and Docks.

"The wharves and docks of the Port of New Orleans as well as the river banks and the adjacent land called the 'Bature,' which is dedicated to public use, are under the administrative jurisdiction of an agent of the State of Louisiana, known as the Board of Commissioners of the Port of New Orleans."

"The jurisdiction of this board covers both sides of the river and embraces forty-one miles of waterfront available for utilization as the needs of shipping may require. Only a small fraction of the frontage is subject to private privilege, and even this privilege is not held in fee, but, by the terms of the grant, may at the will of the grantor be reclaimed upon the basis of proper compensation for improvements constructed. At the present time the public dock system comprises five miles of commodious wharves, with a floor area of 2,558,906 square feet, of which wharves upward of 91 per cent are constructed of creosoted material. Upwards of three and one-half miles of the wharves are covered by complete steel sheds. The wharves are served by nearly three miles of paved vehicle roadways and approaches. The members of the Board serve without financial compensation. No charge whatever is made for the use of these facilities against the shipments passing through. The toll in this respect is assessed against the ships for dockage, and is extremely reasonable.

"Serving the public wharves and a large number of private industrial enterprises, as well as connecting with all railroad lines entering

the port, the Public Belt Railroad furnishes an unique and striking example of the successful application of the governmental function to the satisfaction of urgent general business needs. This railroad is a switching utility owned exclusively by the City of New Orleans and operated by the municipality through a civic board known as the Public Belt Railroad Commission, under express constitutional inhibition that the administration thereof must always be separate and distinct from that of any railroad entering the City of New Orleans. As presently developed the Public Belt Railroad has approximately fifty miles of tracks, including main lines and service adjuncts. Ultimately the Belt will encircle the city. At present the operations of the utility are confined to the waterfront and contiguous territory, but the projection of the lines to the rear of the city intersecting and tapping sparsely peopled localities particularly eligible for factory sites and industrial enterprises, is not only imminent, but one important branch of such extension is now actually completed. The Belt Railroad has interchange connections with all trunk lines entering the city and can readily establish such connections with all lines that may hereafter enter. It exclusively serves the public wharves, thus placing all railroads and shippers upon the basis of common, non-discriminating access to the shipping front. This access is available not only to the rail lines presently operating at the port, but to all prospective lines, which are by these facilities invited to use the port, and are thereby relieved of the burdensome and often-times prohibitive necessity of gaining such access under terms imposed by roads already established. A similar service is offered to ocean carriers, with the result that the smallest craft, as well as the greatest line of steamers, is placed in direct connection with all railroad lines of its own selection. The same comprehensive opportunity is supplied to all industrial establishments located on the Belt System, by connecting the same with every avenue of transportation, rail and water, present and prospective, thus placing all such enterprises in the best possible position not only in the item of cost, convenience and expedition, but also in respect to the competitive activities of the said transportation agencies.

“The business of the Public Belt Railroad has shown a steady and rapid growth from year to year both in respect to the volume handled and the returns therefrom, thus demonstrating not only the feasibility of a publicly owned and operated switching railroad, but also the vital advantage thereof to both the commercial and industrial divisions of trade and to the community at large.”

Need of Public Warehousing Demonstrated.

“The success of these essays in governmental control and administration of port facilities have encouraged the authorities to take steps toward a material amplification of the present system. The people of the State have by amendment to the Constitution given to the Board of Commissioners of the Port of New Orleans the authority to construct and operate a system of warehouses in conjunction with the existing facilities. This adjunction will make the public port terminal plant fundamentally complete. The warehousing plans are comprehensive, and will not only add to the capacity and efficiency of the dock system by relieving the latter of the possibilities of congestion caused by the accumulation of freight awaiting shipment and distribution, but should materially increase the business handled through the port providing adequate and inexpensive facilities for assembling and distributing cargoes and consignments.

“The powers of the Port Commission to develop terminal facilities by the construction and operation of warehouses, structures and appliances are limited only by the need thereof. All powers requisite to the efficiency of this port as a depot, storage, and trans-shipping point for local and

foreign consignments, are lodged with that governmental agency. It is given the right to expropriate, and in some instances to appropriate, property when necessary. It is authorized to issue mortgages and bonds against the real estate and buildings erected thereon, payable out of the net earnings after payment of operating expenses. It is empowered to fix charges for the storage of all goods and merchandise; and it may issue negotiable receipts for property and merchandise in its possession."

Testimony of U. S. Commissioner of Corporations.

The Report of the Commissioner of Corporations on Transportation by Water in the United States, Part III, says:

"Two ports only, New Orleans and San Francisco, are noteworthy for their high degree of public ownership, control, efficiency, and equipment. At New Orleans the active water front is admirably equipped and controlled by a state board; most of the wharves and sheds are open for general traffic, and a municipal board operates ten miles of belt-line railway giving co-ordination between the waterway, local industries, and trunk-line railroads. At San Francisco there is an excellent system of wharves under state control, kept open for general traffic. The water terminal situation in these two cities is by far the best in the country."

The situation has been greatly developed, extended and improved since this report was issued in 1910.

In addition to the dispatch and economy produced to shippers at New Orleans and San Francisco another important feature is added under public ownership and operation of the rail and water terminal facilities, the fair and impartial treatment accorded to all concerns. One of the standing rules at New Orleans is to the effect that favoritism in service means instant dismissal to any employee who is found guilty of granting favoritism to any concern big or little. This rule has never been known to be violated.

Economy through public ownership and operation is had, first, in the prompt service rendered the patrons of the docks and belt line facilities. Second, in opening up all of the avenues both rail and water to the ~~selection by the~~ manufacturers and shippers in a port publicly owned and operated. Third, in the enlarged facilities and co-ordinated units possible only under public ownership and operation.

Private ownership of terminal locations constitutes a monopoly, and is far reaching in its effect both national and inter-national upon the commerce and well-being of the people generally. It would be just as consistent for the State to place the water of Puget Sound in private possession as to dispose of the terminal locations on Puget Sound to private persons and corporations. It would be just as logical for private concerns to own the streets and thoroughfares leading to, and ~~the~~ city, located at a water and rail terminal, as ~~to~~ to sell the terminal location to private concerns.

In order to fully comprehend the extent of the monopoly of a rail and water terminal situation, permit me to quote from Frederick C. Howe, United States Immigration Commissioner, for the Port of New York:

The Bagdad Railway:

"The Bagdad Railroad more than any one single incident," Howe declared, "was the cause of Europe's present war.

"The Bagdad Railway was the most colossal attempt at financial exploitation and expansion ever entered into by any country. It was the most splendid of all dreams of the German financier and imperialist combined.

"The dream—now apparently ended by this war—was a great railroad system from Constantinople to the Persian Gulf—across Asia Minor and Syria and Persia. Or, rather, as the German mind saw it, it was a railroad from Hamburg through Austria and Turkey and the Euphrates Valley and on to India and Australia. Such a railroad would be a wedge to split the British Empire asunder. It would place Germany nearer to the Suez Canal than England would be. It would put Egypt and India at Germany's mercy. It would separate Russia from her control of the Balkan State. France would be cut off from Russia. It was a dream of empire like that of Rome; a dream like that of Alexander and Napoleon.

The Vast Dream:

"In 1888 and 1898 the Kaiser visited Turkey with dramatic display. The result was the granting of the Bagdad Railway concessions to capitalists identified with the Deutsche Bank. They included a tract of land twelve and one-half miles wide on both sides of the railroad for 1,500 miles and the building of quays at the Persian Gulf. The region has valuable coal and oil fields; it can produce more wheat than Russia. The German merchant could send merchandise to the Orient quicker and cheaper than the British, and spiked helmets could be dumped into England's possessions as well.

"England, however, saw the plan. One day a gunboat sailed at Koweit, the terminal harbor on the Persian Gulf, and presently appeared a treaty made with the Shiek of Koweit, by which the Shiek disavowed his Turkish allegiance and accepted British 'protection' for the harbor and adjacent territory. Then the British foreign office informed Germany that the road either could not be extended, or else that half the control must be British.

The dream ended.

"As a piece of diplomacy, the occupation of Koweit was a stroke of genius. As one of the provoking causes of the present European war it was a costly move. Since then we have the spectacle of a German populace carefully educated by its press to hate the English. Germany cannot forget the ruin of its dreams of empire through the Bagdad Railway."

An Old Alliance.

Greater economy will result from a continuation of public ownership when the profits to private monopoly ^{are} no longer forthcoming. Then the alliance between politics and business—the same old alliance that has corrupted our legislatures and cities—will no longer have any substance to exist upon. Several important forces are making their influences felt against such private monopoly. Our educational institutions are teaching political economy in a much broader sense now than heretofore, equipping the young people to study further the vital questions that stir

men into action in daily life. The so-called "conservative" who would deny young citizens in our State University the right to discuss questions calmly in the classroom that move men ~~home~~ ^{might} on the street corner, in the upstairs hall or in the logging camp, is both a coward and a foe to democracy and progress. The fundamental principles of government are understood to a greater extent throughout the world owing to the learning, mental application, sharpened intelligence, and developed logic of the American people. They are not afraid to apply their mental equipment to an open and free discussion of any and all questions that affect their welfare as a people. And as a result of study and discussion, often mislead, often suppressed, they are learning that any public utility ^a ~~that~~ ^{which} in itself constitutes a monopoly should be owned and operated by the public in the interest of all the people.



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